

Success Story

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SBA Guaranteed Loan Plays Vital Role In Success of Heavenly Cheesecakes Inc.

TUCKER, GA.—The match up of Heavenly Cheesecakes Inc., and the SBA is one of those cases of being at the right place at the right time.

Dianne Dougherty, founder and president of the company, says the SBA guaranteed loan she got eight years ago financed a new plant and equipment that opened the door for her first commercial contract with a large restaurant chain.

“It was critical,” says Dianne of the \$120,000 SBA 7(a) loan from Mountain National Bank in Tucker. Just prior to her loan, Dianne and her husband Mike had gotten a firm commitment from the “Steak-Out” restaurant chain that they could be its sole supplier of cheesecakes and other dessert items. But to win the contract, they needed to greatly increase their production capacity, something that required major financing on a fast track.

“Our loan allowed us to lease a 16,000 square foot building and install a large new freezer and other equipment, said Dianne who has been in business for 19 years. “With our new facility and a contract with Steak-Out, we had a chance to prove to the industry that we could make a quality product and service commercial accounts.”

The rest, as they say, is history. Following its first contract with Steak-Out, the company and its 21 employees have increased production to 3500-4000 cheesecakes, layer cakes and other bakery items weekly for Heavenly Cheesecake customers. These now include Longhorn’s Steakhouse, the Zaxby’s Chicken chain, Atlanta Bread Co., Boston Market, and 22 units of the Centra-Archy Restaurant Group.

The company, with annual sales of some \$2 million, is in the planning stages to build its own facility, according to Dianne. She said one of the possible funding sources is an SBA 504 Economic Development Loan which generally carries a \$1 million maximum limit for long-term, fixed rate financing. The company’s first SBA loan is expected to be paid off next year.

Dianne and her company recently completed an “ExportAG” training program that helps existing small businesses go into exporting as a way to expand their sales. The 6-week program is conducted by the Georgia Small Business Development Center (SBDC) an SBA resource partner.

“The program was very helpful,” said Dianne. “It helped us understand what we have to do to export. The training covered financing, customs regulations and laws, marketing, and tariffs.”

With its success, Heavenly Cheesecakes recently attracted a visit by U.S. Secretary of Commerce Don Evans who was in Atlanta to promote President Bush’s economic plan for reduced personal and business taxes. SBA Regional Administrator Nuby Fowler and Gov. Sonny Perdue joined Evans during his visit to the company.

Dianne, also Chief Executive Officer, started her company in 1984 when she used her own kitchen to refine a small line of cheesecakes for the health club where she exercised and for a local delicatessen. She then moved her commercial oven into the basement of her home where she expanded the business for about five years before moving into commercial facilities.

Prior to starting her business, Dianne had worked in sales for several large corporations for 19 years. "I was tired of successfully selling the products, but having to deal with the never-ending problems of this type of career. I wanted to be my own boss."

Her husband joined the company in 1985 after a 13-year career in production control and management with large companies. He is responsible for plant operations and other production activities. Their son, Danny Watkins, also works with the company in marketing and sales support.

With good benefits, Dianne says she is proud of the company's low turnover in its staff. The company is also active with community projects including supplying surplus cake products to meals for the needy and church food programs. The company also supports the Georgia Special Olympics and Angel Flight of Georgia.



U.S. Secretary of Commerce Evans Visits Heavenly Cheesecakes

U.S. Secretary of Commerce Don Evans recently visited with owners of Heavenly Cheesecakes in Tucker during his trip to metro Atlanta to promote President Bush's economic plan to reduce personal and business taxes. At the event, from left, are Mike and Dianne Dougherty, company owners; Secretary of Commerce Evans; SBA Regional Administrator Nuby Fowler; and Georgia Gov. Sonny Perdue.

*The SBA, in co-sponsorship with Staples, has introduced an online newsletter **SBA Solutions**. For a free subscription, go to <http://web.sba.gov/list>, and select New **SBA Solutions Newsletter**. For more information about the SBA's small business programs, call the SBA Answer Desk at 1-800 U ASK SBA or TDD 704-344-6640. Also, visit the agency's Georgia Web site at www.sba.gov/ga/.*

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